



Ohio Revised Code

Section 118.29

Effective: September 30, 2025

Legislation: House Bill 96

(A) The financial supervisor, or the legislative authority of a municipal corporation, board of county commissioners, or board of township trustees of a municipal corporation, county, or township in fiscal emergency, may make a referral to the attorney general for the creation of a receivership over the municipal corporation, county, or township in fiscal emergency if both the following conditions are met:

(1) The municipal corporation, county, or township satisfies either of the following:

(a) It has been in a state of fiscal emergency for a continuous period of ten years.

(b) It has been in a state of fiscal emergency at least twice in a period of ten years, and the combined period of fiscal emergency is at least five years.

(2) The municipal corporation, county, or township has demonstrated one or more of the following, as determined by the financial supervisor:

(a) Failure to comply with the applicable budgetary and spending processes in Chapter 5705. of the Revised Code;

(b) Failure to ensure that appropriations comply with the financial plan in accordance with section 118.13 of the Revised Code;

(c) Assuming debt without the approval of the financial planning and supervision commission in violation of section 118.15 of the Revised Code;

(d) Undertaking administrative or legislative action that is not in accordance with the terms of the financial plan or, when applicable, without permission of the commission.



(B) Upon receipt of a referral, the attorney general shall promptly file a petition for a receivership with the court of claims. The judge that has served the longest on the court as of the date the petition is filed promptly shall appoint a receiver. The appointed receiver shall satisfy the requirements of section 2735.02 of the Revised Code and shall comply with section 2735.03 of the Revised Code. With the approval of the court, the receiver may request reasonable fees for work performed including, but not limited to, costs associated with retaining legal counsel, accountants, or other similar advisors that the receiver considers necessary in the performance of the receiver's duties. The fees shall be paid from funds appropriated to the office of budget and management during the period of fiscal emergency.

(C) A receiver appointed under this section has all of the following powers and duties in addition to the powers stated in section 2735.04 of the Revised Code:

(1) Consult with the legislative authority of the municipal corporation, board of county commissioners, or board of township trustees to make recommendations or, if necessary, to assume responsibility for implementing cost reductions and revenue increases to achieve a balanced budget and carry out the financial plan, and to make reductions in force or spending to resolve the fiscal emergency conditions;

(2) Ensure the municipal corporation, county, or township in fiscal emergency complies with all aspects of the financial plan approved by the commission in accordance with section 118.06 of the Revised Code, or as amended in accordance with this chapter. If no financial plan has been approved by the commission in accordance with section 118.06 of the Revised Code, the receiver, after consulting with the legislative authority of the municipal corporation, board of county commissioners, or board of township trustees, shall make recommendations, or assume, if necessary, the responsibility for crafting and submitting the financial plan to the financial planning and supervision commission.

(3) Ensure the municipal corporation, county, or township in fiscal emergency complies with any other relevant aspects of this chapter;

(4) Provide monthly, written reports about the progress toward resolving the conditions of fiscal emergency to the financial planning and supervision commission, to the legislative authority of the



municipal corporation, board of county commissioners, or board of township trustees, and to the mayor or city manager in the case of a municipal corporation;

(5) Appear at least quarterly to present information about progress toward resolving the conditions of fiscal emergency at an open meeting and, if allowable under section 121.22 of the Revised Code, in executive session, of the legislative authority of municipal corporation, board of county commissioners, or board of township trustees;

(6) Appear at least quarterly to present information about progress toward resolving the conditions of fiscal emergency at an open meeting and, if allowable under section 121.22 of the Revised Code, in executive session, of the financial planning and supervision commission of the municipal corporation, county, or township in fiscal emergency;

(7) At the receiver's initiative or upon invitation, attend executive sessions of the legislative authority of the municipal corporation, board of county commissioners, or board of township trustees;

(8) Exercise any other powers granted to the receiver by the court necessary to perform the duties stated in this section.

(D) The court shall terminate the receivership when the municipal corporation, county, or township has corrected and eliminated all of the fiscal emergency conditions determined pursuant to section 118.04 of the Revised Code, and no new fiscal emergency conditions have occurred.

(F) Conditions in division (A) of this section may be applied retroactively in a remedial nature.